

Change Record Detail With Description
Department of Commerce, Community, and Economic Development

Scenario: FY2010 Supplemental (7955)
Component: Insurance Operations (354)
RDU: Insurance (116)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	PFT	Positions PPT	NP
FY2010 Supplemental												
Provide statutorily required notification to licensees and consumer protection												
	Suppl	77.1	0.0	0.0	77.1	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		77.1										
Under law, The Division of Insurance must notify up to 37,000 licensees whenever there is change in rules, regulations or policy that may impact licensees. Print, mail and legal costs have increased \$300.0 in two years.												
A reduction in market conduct examinations risks losing accreditation with the National Association of Insurance Commissioners (NAIC). A higher risk is that industry and agent misconduct will go undiscovered, and tax premiums that should be allocated to the State of Alaska will not be collected. The intent of market conduct examination is to promote a climate of fair competition in the marketplace, combat insurance fraud, and protect consumers from practices that are contrary to our insurance laws. If market conduct exams are not performed, adequate consumer protection will be at risk. In addition as complaints and reports regarding behaviors of licensees are received, the division must be able to investigate promptly in order to protect the public.												
The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel in several areas, including dealing with applications of convicted felons, administrative actions regarding licensees, advice concerning orders pertaining to specific licensees, investigations, and other miscellaneous matters that may arise.												
This component collects over \$12 million in fees providing more than sufficient resources to fully fund this supplemental request. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.												
Component Totals		77.1	0.0	0.0	77.1	0.0	0.0	0.0	0.0	0	0	0